

the uses of strategy— how the dismantled english planning system might be repaired

Serious damage has been caused by the steady erosion and dismantling of strategic planning institutions and processes, and it is time to grasp the nettle and reinvent the mechanisms of strategic planning and the search for agreement, says **Ian Wray**

Business publications such as the *Financial Times* and the *Economist* make frequent reference to the need for planning reform as the basis for securing economic growth and higher productivity. They rarely clarify what reform means, although their demands often appear to be synonymous with further deregulation and scrapping or rolling back the Green Belt,¹ which is commonly (although mistakenly) seen as the main cause of low housebuilding volumes and thus high prices. In large part, the explanation for low housebuilding levels is straightforward: the almost complete abandonment of public sector housebuilding. Private sector housing completions have been fairly stable since the 1960s. It is the public sector which has stopped building.² Meanwhile, asset prices, including housing, have been inflated by low interest rates and subsequent rounds of quantitative easing.³

Immediately after the Second World War positive planning was practised, using the New Towns Act and Comprehensive Development Areas. Positive planning had powers and resources behind it. These powers were used effectively, if not always wisely. Today the district level Local Plans have become regulatory rather than strategic. It suits property-owners and local communities opposed to development—and sometimes developers, too.

Successive Conservative-led governments, especially since the coalition government led by David Cameron, have effectively dismantled the strategic tier in English planning. They have replaced a system based on a courteous search for agreement with a localised system which has led to high levels of conflict and low levels of progress. In March 2022 research showed that only 42% of local planning authorities had an up-to-date Local Plan.⁴ This article suggests that the basis for future reform could lie in creating (or re-creating) mechanisms for strategic planning, the co-production of policy, and the search for agreement.

Dismantling the system

Few of those calling for reform understand that we have now reached the final stage in a long programme of liberalising changes to the planning system. The changes were initiated in the 1980s by the Thatcher governments, which relaxed controls on out-of-town shopping and business parks (paving the way for town centre decline); were taken further by Eric Pickles, Secretary of State for Housing, Communities and Local Government in the Cameron government; and concluded, in a failed and unsatisfactory way, by the Johnson government.

From 1968 to the early 2000s strategic planning in England had been supplied by county level Structure Plans, which determined how much development land individual districts should put in their Local Plans. These plans were abolished when the Blair Labour government introduced statutory Regional Spatial Strategies (with a similar function) in 2004. In 2010 Eric Pickles determined that Regional Spatial Strategies would in turn be abolished, leaving England without any strategic plans. Planning responsibilities now rest almost entirely with the local district councils in shire counties, and with the unitary councils, largely in metropolitan areas.⁵ Pickles also championed 'localism' and the introduction of micro-scale Neighbourhood Plans,⁶ although the relationship between these documents and council Local Plans has always seemed confused.

With the regional plans abolished, local councils lost no time in deleting huge areas of land for housing from their Local Plans. Research has suggested that sites for more than 180,000 houses were deleted from Local Plans within four months of abolition.⁷

The Pickles reforms opened the door for a more dramatic shift, set out in the Johnson government's 2020 Planning White Paper, trailed as the most radical reform of the planning system since 1947. Its main protagonist was Policy Exchange lobbyist Jack Airey. Airey's paper for the Policy Exchange⁸ advocated doing away with the discretionary elements in the British system, sidelining local politicians in approving individual planning applications, and identifying zones where development would be automatically approved through an administrative process, provided that it conformed with simple rules (as in the rest of Europe and the USA). Airey dismissed any attempt to calculate local need for housing or employment land, and his ideas were taken forward, almost without reservation, in the 2020 Planning White Paper.⁹

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Oddly, Johnson's proposed new planning system was not simply deregulated. It was *dirigiste*, with housing targets determined by algorithms, fixed by central government and passed down via administrative fiat to local authorities. Algorithmic housing targets were as absurd as they were unacceptable. The formula insisted that areas with high house prices should have more land supply, even in urban areas where no land supply existed.

In handing over to central government algorithms, the policy-makers had forgotten about the need to secure agreement and to base housing need on sound strategic planning. The whole package of reform was kicked into the long grass, from which it has never emerged. Without any counterbalance in strategic planning, the localism espoused by Eric Pickles had become a charter for NIMBYs.

The uses of strategy

Strategic planning, if it is done properly, supplies a sense of direction. It promotes long-term thinking, rather than short-termism, frequent changes of direction, and the tendency to make things up as one goes along. Preparing strategic plans involves local stakeholders and provides a common script.

In a market economy a clear sense of direction promotes confidence about the future and, as economist John Maynard Keynes understood, confidence is the bedrock of expectations about the future and thus of private investment. This is true of the economy as a whole, but it is especially true of property markets, where a lack of confidence from one business or sector breeds a lack of confidence in others. You could call this the 'Detroit effect': hardly anyone wants to commit to investing in Detroit, and abandonment is widespread, because everybody believes that the city is on the way out.

A sense of direction also underpins investment plans across different sectors. Transport investors, water suppliers, bankers and housebuilders (and many others) want to know what everyone else is doing and proposing. They do not want to find themselves out on a limb, investing in the wrong place, or at the wrong time.

The above arguments in themselves might appear to be sufficient justification for strategic direction. But there is one more justification, and it is profoundly important: strategic planning helps to secure agreement and reduces the exhausting effects of constant bickering, political footballs, and legal challenge.

This was the flaw in the Conservative Party's decision to remove the strategic tier. It culminated not in freedom, but in autocratic direction from the centre. The process ended in failure, with local authorities, environmentalists and local lobbies pitted against government. Meanwhile, there is mounting concern that the system is not delivering enough land for housebuilding, with the government failing to achieve its own target of 300,000 new homes a year.

Strategic planning as co-production

The strategic planning system which was dismantled had the 'search for agreement' at its core. Rather than being a vehicle for autocrats, English strategic planning was a device for local accountability and the co-production of policy.



The now dismantled strategic planning system had the 'search for agreement' at its core

It worked like this. Draft Regional Spatial Strategy was prepared by the 'regional planning body' in each region. The body consisted of 70% local government membership and 30% other stakeholders, including business. There was wide consultation on the technical work, options, and policies; with government itself via the Government Offices for the Regions (abolished in 2010); and with the Regional Development Agencies (also abolished).¹⁰

The draft strategy was examined and tested at an examination in public (EiP), a roundtable inquisitorial debate led by a panel of government-appointed planning inspectors. Based on the model used for the former county Structure Plans, the EiP lasted for several days and was exhaustive. There were many voices around the table, not least environmental organisations and lobbyists. Very few business interests were represented and equal weight was given to all participants. Government considered the panel's report and finally issued the strategy, taking the recommendations of the panel into account. It was an open, collaborative and courteous process.

In practice, the making of Regional Spatial Strategy was a successful exercise in policy co-production. The Regional Development Agencies were required to prepare economic strategies, and government guidance made clear that the spatial strategy should assist the implementation of these economic strategies¹⁰ (even so, my experience was that the view of the Regional Development Agency was not given great weight). When the final document emerged in the North West, for example, all the planning authorities accepted the housing figures.

Four possibilities for repair

What are the options for restoring effective strategic planning and thus securing the benefits identified above? It could probably be achieved in four different ways: at the county or city region level, at the regional level, at the national level, and

through land reform. These options are not necessarily mutually exclusive.

Counties

Let us look first at the county level. English shire counties are long-established political units with strong local allegiance, as perhaps, to a lesser extent, are the 'new' metropolitan county areas now largely reconfigured as combined authorities. Unlike district councils (which are rarely travel-to-work or housing market areas), counties cover extensive areas, are highway and transport authorities, and have economic development responsibilities. There is considerable logic in using the county unit as the basis for strategic planning. Indeed, the process has already started in the larger 'shire' unitary authorities and to an extent in the combined authorities. The Structure Plans, pre-2004, had worked, but they were less than ideal, as the planning function was split between the counties and their districts. When the structure and regional plans went, all planning power went to the districts.

Restoring strategic planning to the county level could be achieved by returning *all* planning powers to county councils, except where unitary authorities exist—or by reintroducing some form of county strategy, at least for housing figures. Returning all planning to the counties would reflect the pattern before the 1970s. It would sharply reduce the number of separate planning authorities (reducing costs as well as the scope for inter-authority conflict), re-creating professional county teams, and moving decisions to officers and councillors with wider perspectives. It could provide a supportive tier for regional planning, as it did in the past.

Regions

The second option is to reinvent the regional system. Without repeating the discussion above, we can acknowledge that Britain has a long and often

distinguished history of regional planning, informed by the need to advise and secure agreement, rather than impose control.¹¹ There have been notable successes, despite the lack of a directly elected and responsible regional tier of government. We know that the system is not without its problems, but it has worked, we know it can work, and it is surely a vastly better arrangement than the outcome of the Conservative reforms, post Eric Pickles.

The nation

The third option is the development of a national spatial plan.¹² England has never had a national spatial plan. In part this reflects the nature of the British government machine, more nightwatchman than purposeful driver. George Brown's National Plan in the 1960s, together with its department (the Department of Economic Affairs), ended in failure, deliberately marooned by the Treasury.¹³ Admittedly it was an economic, rather than spatial, plan. Yet spatial resource planning decisions are nevertheless taken, often on the basis of an unspoken policy of investing in success (in London and the South).

But circumstances have changed. The country, like the planning system, is in some disarray. With fewer public funds available, we need to think more carefully about their deployment. Institutions that used to do the planning for us, like the Regional Development Agencies and EU programmes for UK 'Objective 1' areas, have been lost. Our regional disparities are acute, bringing in their wake huge costs for infrastructure and housing in the South.

Voices are being raised in favour of national spatial planning. Nick Winser, the government's Electricity Networks Commissioner, wants a national spatial plan for new electricity power lines.¹⁴ Climate change suggests that we will have to engage in national water planning as well as in identifying priorities for infrastructure resilience and flood prevention. National planning for rail and road investment is inescapable and will inevitably have a spatial component. The political furore caused by the Prime Minister's decision in October 2023 to abandon Britain's HS2 high-speed rail project in mid-stream revealed what might fairly be described as dysfunctional state machinery for long-term infrastructure planning and strategic implementation.¹⁵

We must also think about spatial priorities for investment in research. Levelling Up Secretary of State Michael Gove's current proposal to make Cambridge 'Europe's Science City' is ambitious but one-sided.¹⁶ What is the plan for the rest of England? What are our long-term priorities for regeneration and the use of Development Corporations, New Towns, and compulsory purchase for land assembly?

The risk is that we will end up doing lots of sectoral national spatial plans without any 'read across'. That might solve some problems. But we could surely go further, learning from our tradition of advisory planning at a regional level and bringing

together the sectoral activists in some holistic thinking. It could be loose, discursive and informal, like the pre-1980s regional plans, with a light touch.

The question is who might be an effective custodian of a long-term infrastructure plan or plans which necessarily would sit outside the five-year electoral cycle. It could perhaps be a position based in a new Prime Minister's Department, in a specific Department of State, or in the Treasury, as a new 'English Growth Commission'.

The problem with all these 'in-government' options is that the recent HS2 debacle has sharply revealed Britain's long-standing inability to develop, secure and implement long-term plans within the government machine. An alternative might be to consider a body outside, or at least insulated from, government short-termism (with some parallels to bodies such as the former British Railways Board), perhaps in the Bank of England, in a new institution like the Office of Budget Responsibility, or even a private sector/philanthropic led model, along the lines of New York's Regional Plan Association, which dates back to the 1920s.¹⁷ That would seem to fit a British national 'planning culture' in which so many big successful plans in the past have been developed and implemented outside the government machine.¹⁸

Land reform

One final issue relates to positive planning and implementation. In other European countries land can be acquired at existing-use value by the public sector, with the value uplift from the change of use and the provision of infrastructure being shared with owners. The British system requires the payment of all the capital value uplift with no recognition of the costs involved. Partly as a result, most public authorities rarely use compulsory purchase powers.

In other European countries, the public sector is able to work in a civic manner to the joint benefit of business as well as the community. The lack of such an enlightened land assembly system in Britain has worked to the disadvantage of smaller builders, who have largely disappeared because they do not have the financial resources to compete with the big builders. Land reform, enabling public acquisition at existing-use prices, with a provision for sharing the capital land value uplift, would secure positive planning. It would allow the planning system to provide land, infrastructure, housing and regeneration on the scale needed, replicating the system which was used in the past to successfully deliver the New Towns.

Conclusions — back to old truths

Serious damage has been caused to English infrastructure planning by the steady erosion and dismantling of strategic planning institutions and processes by successive Conservative-led governments. The result has been the displacement of a system based on a search for agreement with

a highly localised system with high levels of conflict and inefficiency. The way forward may be to invent—or reinvent—the mechanisms of strategic planning at county level or regional level (possibly both).

Thought needs to be given to a mechanism or mechanisms for effective national infrastructure planning and some form of national spatial plan. The case is already being made for electricity distribution. A key issue is who might be an effective custodian of long-term national infrastructure plans, which would necessarily sit outside the five-year electoral cycle.

In parallel we must reconsider the tools for positive planning and implementation, introducing land reforms which will secure the sharing of land value uplift between private landowners and the public sector.

These are issues of huge topical importance and will impact on economic growth, productivity, and regional inequality. The Conservative Party's current planning policies, focused on 'localism', have reached the end of a road. The Labour Party has begun to outline new approaches, including building new towns, a move away from over-localised planning, and streamlined planning procedures for national infrastructure investment.

Making progress will mean returning to some old truths. We have to plan positively and holistically, as others do, and as we once did. We have to disinter and revisit the logic of systems thinking, planning our basic infrastructure as one, not in unrelated silos. The late Professor Sir Peter Hall, one of Britain's greatest post-war planners, set out the 'mindset' challenge eloquently in his last book: *'The models are there before our eyes. We merely need to remove the blinkers that are obscuring them and to clear our minds for forging fresh solutions.'*¹⁹

One way or another, it is surely time to grasp again the nettle of strategic choice.

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Notes

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- 13 See 'Who's in charge? The British government machine', Chapter 12, in I Wray: *Great British Plans: Who Made Them and How They Worked*. Routledge, 2015
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- 19 P Hall: *Good Cities, Better Lives* (see note 2), p.310